

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CA

**BUNKER HILL
REDEVELOPMENT PROJECT AREA**

**IMPLEMENTATION PLAN
FY 2010 – January 1, 2012**

REQUIRED BY HEALTH AND SAFETY CODE SECTION 33490

ADOPTED: December 17, 2009

Resolution No. 7400

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**BUNKER HILL REDEVELOPMENT PROJECT AREA
FIVE-YEAR IMPLEMENTATION PLAN
FY 2010 – JANUARY 1, 2012**

I. REDEVELOPMENT PROJECT AREA INFORMATION

A. PROJECT AREA CONTEXT AND BACKGROUND

The 133-acre Bunker Hill Urban Renewal Project, located in the northwest sector of downtown Los Angeles, was adopted by the Los Angeles City Council on March 31, 1959. It was converted to a Redevelopment Project in 1968. The Project Area is bounded by First Street on the north, Hill Street on the east, a line generally following Fifth Street on the south, and the Harbor Freeway on the west. For reference, a Project map is attached as Exhibit A.

Bunker Hill is CRA/LA's first and oldest redevelopment project. The passage of the California Community Redevelopment Law in 1945 and Title I of the federal Housing Acts of 1946 and 1949 provided cities with legal and financial tools for combating urban blight through redevelopment. The Los Angeles City Council created the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) in 1948. In 1954, CRA/LA applied and won a federal commitment to a \$33 million aid package for the Bunker Hill Urban Renewal Project with \$7 million supplied in matching local funds. After a year of many public hearings, the Bunker Hill Urban Renewal Project was adopted by the City Council in 1959. Five lawsuits were immediately filed, challenging the Redevelopment Plan on the basis of takings and compensation, but ultimately the California Supreme Court decided in favor of CRA/LA and upheld the Plan in 1964. The "Bunker Hill Urban Renewal Project" was later amended by a City Council ordinance into the "Bunker Hill Redevelopment Project" in 1968 and subsequent amendments have been since adopted, with the latest on December 29, 2006.

Bunker Hill holds a unique place in the history of Los Angeles and redevelopment. Due to its elevated topography, Bunker Hill did not develop until the 1880's when streets and a water system were installed to service the area. From the 1880's to the 1920's, Bunker Hill underwent an intensive building boom and emerged as one of the city's fashionable residential districts with large Victorian mansions and hotels built on stately tree-lined streets. In 1901, the Angels Flight funicular was constructed to provide convenient access up and down the Hill between the residential area and the City's financial and commercial core districts. Shortly thereafter, the Third and Second Street tunnels were bored through the Hill to accommodate vehicular traffic and facilitate access westward.

Despite Bunker Hill's lustrous start, the neighborhood deteriorated in later years into an aging, hilly pocket of overcrowded and dilapidated rooming houses and residential hotels. From the 1920's onward, Bunker Hill's difficult topography and its irregularly shaped lots caused it to be bypassed by development occurring on the adjacent flatlands of Downtown Los Angeles. With very few new or replacement buildings being built, Bunker Hill began to face a steady decline. With the onset of the Great Depression, the area's housing stock became severely deteriorated and crime, fires, and health conditions worsened by the 1940's. The district's squalor and crime discouraged new investment and the recycling of existing housing stock. Bunker Hill, formerly the site of lavish Victorian mansions, came to symbolize urban decay in the heart of the metropolis.

In preparation for the Bunker Hill Urban Renewal Plan, the City's planning, health, and housing departments conducted surveys to document social, economic, and physical blight. They found that 82% of the housing units in Bunker Hill were deteriorated, overcrowded, unhealthy, and unsafe, resulting in the demolition of 7,310 housing units. Extensive studies concluded that a rearrangement of the topography and a realignment of the street and circulation systems would be necessary to begin correcting the prevailing blighting conditions. In response to these conditions, city planners began researching and formulating plans to dramatically revitalize the Bunker Hill neighborhood.

Once the Plan was adopted, the Project Area was re-graded and approximately \$21 million worth of public improvements were constructed, including a new road network, utilities, and pedestrian bridges

and amenities. A new street system was designed to accommodate the access requirements and traffic volumes generated by the proposed land uses by separating through and local traffic; multi-level grade separations were adapted to the steep topography; and several links connecting the Project with Downtown and the freeway system were constructed.

With the topography of Bunker Hill rearranged and the street and circulation systems realigned and reconstructed, new developments were initiated. With CRA/LA assistance, more than 8.6-million square feet of office space, more than 600,000 square feet of retail space, over 2,500 hotel rooms, 3,250 residential units, and approximately 385,000 square feet of cultural facilities have been built. The major commercial developments include the Union Bank Center, Wells Fargo Center, Mellon Bank Center, 444 South Flower Street Building, Bank of America Plaza and California Plaza. The significant residential developments include the Bunker Hill Towers, Promenade East and West, Grand Promenade, Museum Tower, and the Promenade Towers. Completed hotel developments include the Westin Bonaventure Hotel, Omni Hotel and the Marriott Hotel. Nationally recognized cultural destinations such as the Museum of Contemporary Art (MOCA), the Colburn School of Performing Arts and Walt Disney Concert Hall have located to the area to comprise Los Angeles' premier cultural center. The most recent additions to Bunker Hill are the Walt Disney Concert Hall, completed in 2003, and the second phase of the Colburn School of Performing Arts, completed in fall 2007.

To date, 3,250 dwelling units have been constructed within the Project Area, of which 142 are low-income family housing and 1,087 units are very low- and low-income senior housing. In addition, approximately 14,500 units of affordable housing extending to nearly every City Council District have been assisted with Bunker Hill housing funds in order to satisfy the Project's replacement housing obligations. During this last Implementation Plan period, CRA/LA intends to continue the policy electing to replace each dwelling unit housing persons or families of low or moderate income destroyed or removed from the housing market as a part of the original Urban Renewal Project at a ratio of three to one utilizing Bunker Hill housing funds, as permitted under California Community Redevelopment Law, Health & Safety Code, Section 33413(d)(2). In addition, it is anticipated that up to 2,660 market-rate and 532 affordable housing units will be constructed on Bunker Hill as part of the Grand Avenue Project.

Bunker Hill funds have been used for: the rehabilitation and expansion of the Los Angeles Central Library; numerous developments within the Watts Redevelopment Project; Convention Center expansion, street improvements along the Figueroa corridor; and preparation of the Downtown Strategic Plan adopted in 1994. Through findings of benefit, these expenditures were made to fulfill the Project Area's replacement housing requirements and to support the elimination of blight through the improvement of projects within the vicinity of Bunker Hill.

Today, Bunker Hill is the financial and corporate heart of Downtown, consisting of high-rise office buildings, hotels, apartments, condominiums, and cultural destinations that have transformed the Downtown skyline into the city's signature mark. As of the 2000 Census, it is estimated that over 25,000 employees and 4,000 residents work or live in Bunker Hill.

The Community Redevelopment Agency of the City of Los Angeles ("CRA/LA") plans to focus on the following goals during this Implementation Plan period:

- Goal 1: Project-wide public improvements
- Goal 2: Affordable housing (specifically assistance for residential hotels in Central City East)
- Goal 3: Implementation of Design for Development Guidelines
- Goal 4: Arts Retention Program
- Goal 5: Development and construction of Civic Park
- Goal 6: Disposition and development activities for Parcel Y-1
- Goal 7: Implementation of Grand Avenue Phase 1 (including affordable housing and Grand Avenue streetscape improvements from 5th to Cesar Chavez)
- Goal 8: Transportation planning - Regional Connector and LA Streetcar

The Redevelopment Plan was adopted by the City Council of the City of Los Angeles on March 31, 1959. The Redevelopment Plan has been amended six (6) times:

- On January 12, 1968, to adopt an Amended Redevelopment Plan that conforms with California Community Redevelopment Law and to authorize the issuance of tax allocation bonds and preparation and adoption of a Design for Development. (Ordinance No. 135,900)
- On June 25, 1970, to include provision for adequate park and recreational areas and facilities for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the area. (Ordinance No. 140,662)
- On December 17, 1986, to establish certain limitations for the Project, including a cap on the amount of tax increment to be received and time limits on incurring indebtedness and commencement of eminent domain proceedings, pursuant to H&S Code Sec. 33333.4. (Ordinance No. 161,868)
- On December 20, 1994, to establish new time limits on incurring indebtedness, effectiveness of the Plan, and receipt of tax increment, pursuant to the Community Redevelopment Law Reform Act of 1993 (AB1290). (Ordinance No. 170,196)
- On December 29, 2003, to eliminate the time limit on incurring indebtedness pursuant to SB211 (2001), and to extend time limits on effectiveness of the Plan and receipt of tax increment as allowed for those project areas required to make Educational Revenue Augmentation Fund (ERAF) payments in FY04 pursuant to SB 1045 (2003). (Ordinance No. 175,659)
- On December 19, 2006, to extend time limits on effectiveness of the Plan and receipt of tax increment as allowed for those project areas required to make ERAF payments in FY05 and FY06 Pursuant to SB1096 (2004). (Ordinance No. 178,167)

The following table contains significant dates associated with the Redevelopment Plan.

Significant Event	Date
a. Time Limit to Commence Eminent Domain	December 17, 1998
b. Time Limit to Incur Debt	January 1, 2012
c. Effectiveness of Redevelopment Plan	January 1, 2012
d. Time Limit to Repay Debt	January 1, 2022

B. IDENTIFICATION OF CONDITIONS AT THE TIME OF ADOPTION OF THE REDEVELOPMENT PLAN

To address remaining pockets of physical and economic blight, eligible Bunker Hill funds have been used to finance needed public improvements and affordable housing within the Project Area and beyond. In recent years, over 90 percent of Project revenues (after meeting debt service on previously issued bonds) have been allocated to such programs within proximity of the Project Area boundaries to address ongoing conditions of blight and provide a stimulus to the local economy. These investments are of benefit to the Bunker Hill Redevelopment Project because they stabilize residential communities, provide affordable housing for low-wage workers, and induce private investment in these areas that, in turn, help stabilize the economy of Downtown Los Angeles.

While the Project has been very successful in meeting its Plan's goals and objectives, there are still issues that remain to be addressed, including:

- Vacant and/or under-utilized parcels of land remain undeveloped.
- Prevalence of vacant office space in the commercial office market.
- Low occupancy rates for ground floor retail space.
- Less than optimal hotel occupancy rates exist throughout the area.
- Depressed property values throughout the Project Area have required CRA/LA to pledge all future tax increment revenues to debt repayment on Bunker Hill Tax Increment Bonds.
- Continued poor economic conditions affecting the Project Area, as evidenced by homeless encampments at several locations throughout the project area, including along the Fourth Street viaduct, adjacent to the Central Plant site, at Lower Grand Avenue and Fourth Street, in the vicinity of entrances to the Second and Third Street tunnels, and on Parcel Y-1 (Angels Knoll Plaza) including areas adjacent to the Red Line Station portal entrance, indicate.

C. GOALS AND OBJECTIVES FOR THE REDEVELOPMENT PROJECT AREA

The Redevelopment Plan establishes a variety of goals for the Project Area; these goals frame the near-term objectives for the Implementation Plan period. The Redevelopment Plan goals are listed below.

1. Elimination of poor, substandard, and extremely substandard dwelling units and rooming units in substandard, obsolete and outmoded residential structures.
2. Correction of a living environment where children of all ages are subject to contact with persons having a criminal record.
3. Clearance of blighted conditions conducive to rates of disease, crime and juvenile delinquency above the community average.
4. Elimination of an incompatible mixture of residential, commercial, industrial and public land uses.
5. Demolition of frame structures conducive to a potential serious conflagration.
6. Demolition of brick and other structures not adequately built to resist seismic forces.
7. Relocation of site occupants to a safer and more healthful residential environment.
8. Correction of street inadequacies regarding narrowness, steepness, congestion, lack of traffic-carrying capacity, and poor location or routing.
9. Removal of unsightly conditions having a depressing effect on property values in the heart of the City.
10. Clearance of structures and uses in the way of progress of the City where a pressing need exists for public and private facilities requiring large areas.
11. Creation of a plan of land use of great benefit to the people of the entire Los Angeles metropolitan area.
12. Provision of facilities in large demand for modern, convenient, and efficient living accommodations for downtown employees.

13. Provision of commercial facilities of a high-type of institutional, professional and business use.
14. Provision of thousands of automobile parking spaces for employees, shoppers, and businesspersons with destinations both within and adjacent to the Project.
15. Elimination of a misuse of land adjacent to the Civic Center and Central Business District of the City of Los Angeles and an economic dislocation indicated by a growing lack of proper utilization of area, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the health, safety and welfare.
16. Changing a tax liability to a tax asset for people of the City by increasing the tax revenues many times.
17. Elimination of a blighted condition where the costs of public service exceed tax revenues from properties therein.
18. Demolition of incompatible types of living accommodations and conversions with substandard room area and illegal occupancies.

In addition to the goals and objectives set forth in the Redevelopment Plan, as stated earlier, CRA/LA has made the commitment to replace each of the low- and moderate-income housing units removed in the course of redeveloping Bunker Hill on a three-to-one basis, as permitted under state law.

How the Goals and Objectives Will Help to Eliminate Blight

The enumerated goals and objectives will help eliminate blight by furthering the economic renewal of the project area; providing for the future development of vacant parcels; improving vehicular and pedestrian circulation; and continuing the commitment to fund affordable housing projects in areas throughout the City. The cumulative effect will be additional affordable housing, employment opportunities, cultural amenities, and improved pedestrian and vehicular circulation.

II. PROJECT AREA ACCOMPLISHMENTS DURING PREVIOUS 5-YEAR PERIOD

A. CRA/LA ACCOMPLISHMENTS

During the previous Five Year Implementation Plan (October 2005 – October 2009), litigation filed against the Grand Avenue Development was resolved allowing the approximately \$3.1 billion mixed-use project to move forward and secure additional approvals relative to Phase I schematic design, changes to the developer's financing partnership structure, and schematic design for the 16-acre Civic Park. Construction began on the Second Street Connection, Colburn School Phase II was completed, and an environmental impact report (EIR) for the Bunker Hill Design for Development (DFD) was prepared to increase Floor Area Ratio (FAR) from 5:1 to 6:1 for buildings with a combined development capacity of approximately 5 million feet. In addition, CRA/LA authorized the issuance of up to \$96 million of tax-exempt bonds for the acquisition and substantial rehabilitation of the 1,093-unit senior housing complex Angelus Plaza and approved the terms for re-establishing the Angelus Trust, including a \$10-million Revolving Acquisition Fund to support the creation of workforce housing in the South Los Angeles.

1. Affordable Housing Projects and Programs

Angelus Plaza (BH1040)

Angelus Plaza is the largest, single, federally supported low-income senior housing complex in the nation. Beginning in November 2008, the owner/operator of Angelus Plaza, Retirement Housing Foundation (RHF), began construction activities to renovate all units, common areas, and major building systems in the Angelus Plaza senior housing complex, which consists of Angelus Plaza I, Angelus Plaza North, and the Agape Senior Center, a six-story, 75,000 square-foot administration building featuring health and social services, as well as daily conveniences for the residents. This is the first extensive renovation since Angelus Plaza was first constructed in 1980-1981.

Additionally, Angelus Plaza has ongoing executed agreements that require monitoring by CRA/LA staff. Contractually obligated activities include monitoring the 1,093-unit senior housing complex, its operating budget and activity center, and participation on its Community Advisory Board.

Grand Avenue Project (BH1050, BH3090)

The Grand Avenue Joint Powers Authority entered into an Exclusive Negotiation Agreement with the Related Companies for a master development plan for the vacant County and CRA/LA parcels and a financing plan (the "Implementation Plan") for the phased construction of up to 3.8 million square feet of development including 2,600 residential units, of which at least 20% will be affordable, 350,000 to 400,000 square feet of retail, 225-275 hotel rooms, office, parking and the redevelopment of the 16 acre Civic Park. Following the preparation of an Environmental Impact Report and more detailed plans for the development of the first phase (Parcel Q), CRA/LA, the City and the County approved the Disposition and Development Agreement and Ground Leases with the Related Companies. CRA/LA investment in the project totaled approximately \$24.4 million.

City-Wide Housing Program (CW)

As discussed in Section I, CRA/LA has voluntarily committed to replace each of the 7,310 low- and moderate-income housing units removed in the course of redevelopment, first on a one-for-one basis, then on a two-for-one basis, and most recently, on a three-to-one basis. To date, approximately 14,500 units of very low-, low-, and moderate-income housing were assisted in downtown neighborhoods and throughout the City with Bunker Hill funds. Development proposals were considered on a case-by-case basis and are selected to receive CRA/LA assistance on the basis of public benefit, cost-effectiveness, and other criteria. In view of the development costs, in Bunker Hill, the special construction techniques that would be required, and limited land area, CRA/LA has found that its funds are better leveraged by building and rehabilitating the majority of these very low-, low-, and moderate-income housing units outside

of the redevelopment Project Area boundaries, as permitted under state law, on larger sites that can accommodate the need for recreational, childcare and other project-based supportive services.

2. Economic Development Projects and Programs

Design for Development (BH6030)

During the previous Five-Year Implementation Plan period, an EIR was completed for the Bunker Hill Design for Development (DFD). The DFD provide standards for physical development of the project area pursuant to the Redevelopment Plan and the Five-Year Implementation Plan. The DFD increase the Project Floor Area Ratio (FAR) from an overall average of 5:1 to 6:1 resulting in an additional 3.5 to 4 million square feet of development capacity. An EIR was prepared and approved on November 20, 2008 (FY09) for the increased density that analyzes potential impacts and identifies feasible mitigation measures, if any.

The Bunker Hill Design for Development serves as a policy guide for completion of the redevelopment project. The Redevelopment Plan sets a maximum Project-wide Floor Area Ratios (FAR) of 5:1, which has been assigned in accordance with site-specific development agreements. The Plan allows for an amended Design for Development, as recommended by the Downtown Strategic Plan, adopted in 1994, to elevate the project-wide FAR to 6:1 in conjunction with access improvements, creating potential additional entitlements of up to 3.8 million square feet.

Public Art Program (BH6130)

In accordance with CRA/LA and City Council approved Art Policy, a 1% art fee is required on all commercial and market rate housing projects subject to an Owner Participation or Disposition and Development Agreement with CRA/LA. Sixty percent (60%) of the funds may be spent on on-site public artworks by the developer and forty percent (40%) is deposited in the Downtown Cultural Trust Fund for the implementation of the public art program. This program included the solicitation and funding of various public art projects associated with CRA/LA projects such as the Third Street Tunnel, Downtown district markers, Venice-Hope Park and the Public Art Newsletter. In addition, this project provided funding for the staffing of the Downtown Art & Design Advisory Panel and other efforts that further the "place-making" mission of the public art program both in the project area and adjacent project areas that will benefit Bunker Hill. Future funding is anticipated from future developments in Bunker Hill, including Grand Avenue and Parcel Y-1.

The public art program supports aesthetic enhancements and cultural facilities important to the goals and mission of the Project, and provides funding for improvements that enhance the pedestrian environment and public spaces.

3. Community Facilities and Programs

Colburn School Expansion – Phase II (BH1070)

The Colburn School of Performing Arts is located on CRA/LA-owned property at the north east corner of 2nd Street and Grand Avenue. At the time of construction of Phase I, CRA/LA granted the Colburn School an option on a second parcel located behind the school at 2nd Street and Olive Streets, which was used as surface parking. The Colburn School elected to exercise the option and constructed an additional 115,000 square feet of educational space, and additional performance and rehearsal space along with a 170-bed dormitory for its students. Completion of the expansion occurred in fall 2007.

Walt Disney Concert Hall, Parcel K (BH2060)

This project involved monitoring of the Walt Disney Concert Hall project for compliance with the Owner Participation Agreement (OPA) with the County of Los Angeles executed in 1991, which provided for the new 2,500-seat Disney Hall located on Parcel K; and 1.4 million square feet of

office and a hotel were planned for Parcels Q and W-2. Construction of the below grade parking garage for the Concert Hall was completed in FY1995, and the Walt Disney Concert Hall was completed in 2003 (FY2004) at a cost of approximately \$300 million. CRA/LA contributed \$2 million for the construction of public improvements along Grand Avenue in support of this new cultural performing arts facility and home for the Los Angeles Philharmonic. The development of the remaining County-owned parcels, Q and W-2, in addition to CRA/LA-owned parcels, L and M-2, is now the responsibility of the Grand Avenue Joint Powers Authority between CRA/LA and the County (see "Grand Avenue Project" below).

4. Mixed Use Development Projects

Grand Avenue Project (BH1050, BH3090)

The Grand Avenue Joint Powers Authority entered into an Exclusive Negotiation Agreement with the Related Companies for a master development plan for the vacant County and CRA/LA parcels and a financing plan (the "Implementation Plan") for the phased construction of up to 3.8 million square feet of development including 2,600 residential units, of which at least 20% will be affordable, 350,000 to 400,000 square feet of retail, 225-275 hotel rooms, office, parking and the redevelopment of the 16 acre Civic Park. The Final Environmental Impact Report was certified on November 20, 2006 and the Disposition and Development Agreement with the Related Companies was executed on March 16, 2007. The total expenditure over the next five years is approximately \$24.4 million.

5. Public Improvement Projects and Programs

Upper 2nd Street Connection (BH3010)

The circulation improvement plans for Bunker Hill include the completion of missing street segments and sidewalks. The approximately \$4 million project involved the extension of 2nd Street to connect Hope Street with upper Grand Avenue and Olive Street, including the revision of design to include structural support away from the tunnel underneath. During the previous Five-Year Implementation Plan, federal and local funds in the amount of approximately \$2 million were utilized by CRA/LA along with the \$2,422,000 MTA funds for construction costs. Construction was completed in October 2008.

Angels Knoll Plaza (BH3130)

The Angels Knoll project, located North side of Fourth Street, between Olive Street and Grand Avenue, involves the enhancement of Parcel Y-1, in particular the lower plaza area adjacent to the MTA Red Line Pershing Square Station portal with an art concrete paving designed by Jacci Den Hartog with sustainable landscaping and public amenities. In 2001, CRA/LA received MTA funding for the design and improvements to the plaza to create a pedestrian connection to Angels Flight.

Angels Flight (BH9990)

The Angels Flight funicular railway, the "shortest railroad in the world" and City Cultural Monument No. 4, operated alongside the Third Street Tunnel between Hill and Olive Streets from 1901 to 1969, when it was removed to facilitate the regrading of Bunker Hill. The California Plaza Disposition and Development Agreement required CRA/LA to restore the operating funicular as part of the Parcel Y-1 commercial development. In 1993, given the delay in the development of Parcel Y-1, CRA/LA and City Council approved a plan to proceed with the reconstruction of Angels Flight in advance of the commercial development of the site. On February 24, 1996, Angels Flight re-opened to the public under an operating agreement with the Angels Flight Railway Foundation (Foundation) and the Angels Flight Railway Operating Committee. Then, in 2001, a failure of the drive system resulted in significant damage to the cars and mechanical systems. The funicular has been closed since the failure occurred.

In the previous Implementation Plan period, the Angels Flight Railway Foundation fundraised \$3.5 million to restore the Angels Flight Railway, and the Foundation's contractor, the Angels

Flight Railway Company (AFRC), completed design, manufacture, and installation of the Railway's all-new drive and control system in March, 2009. The California Public Utilities Commission (PUC) approved AFRC safety and security plans in November, 2009. AFRC is awaiting the PUC's approval of the Railway's final safety certification verification report. Upon approval by PUC, the Railway will resume regular passenger service.

Convention Hotel (BH6990)

CRA/LA provided funding for public improvements associated with the development of the Convention Hotel, located at the southwest corner of Olympic Boulevard and Georgia Street, including street realignments and reconfigurations, freeway access, ramps and transit. As a benefit to Bunker Hill, CRA/LA assisted in these improvements to provide needed transportation infrastructure improvements so as to attract more conventions to the City and thereby improve Project area hotel occupancy rates, enhance the feasibility of a new hotel proposed as part of the Grand Avenue Project, and overall tourism and property values in the Project Area. A crucial catalyst of the Downtown core's revival and a major component of the "L.A. Live" retail, sports and entertainment district adjacent to the Staples Center Arena, the Convention Hotel consists of approximately 1,100 hotel rooms operated by Ritz-Carlton and Marriott Hotels and includes, ballroom and meeting room spaces, restaurants, parking and approximately 110 for-sale luxury condominiums in a high rise adjacent to the Convention Center.

Project-Wide Public Improvements (BH9990)

During the previous Implementation Plan period, the portion of planned improvements for Grand Avenue adjacent to the Music Center and Disney Hall and the crosswalk connecting Wells Fargo to California Plaza were completed.

6. Development Opportunities

Grand Avenue Project (BH1050, BH3090)

See also under "Mixed Use Development".

7. Sale or Lease of CRA/LA Owned Land

California Plaza Mixed Use Development - Parcels R, S, T, U, and Y-1 (BH1070, BH2050, BH3130, BH3140)

California Plaza occupies four parcels along the east side of Grand Avenue between Second and Fourth Streets and an additional parcel along the north side of Fourth Street between Olive and Hill Streets. The original Disposition and Development Agreement (DDA), executed in 1981, called for development of three office towers, 150,000 square feet of retail and restaurant space, a first class hotel, and three high rise condominium towers. Completed phases of the project include the first and second phase office towers, the 469-room Omni Hotel, the 217-unit market-rate Museum Towers, and the Museum of Contemporary Art. Following the termination of the DDA with the Bunker Hill Associates, the remaining undeveloped residential sites were re-designated for cultural use. CRA/LA subsequently entered into a DDA for the development of the first phase of Colburn School of Performing Arts, completed in 1998. In 2007, construction of the second phase of the Colburn School of Performing Arts located on Olive Street was completed. In addition, CRA/LA completed the Angels Knoll Plaza, an interim use for the remaining vacant development opportunity site, Parcel Y-1, and the Grand Avenue crosswalk linking Wells Fargo Center and Cal Plaza were also completed.

Grand Avenue Mixed-Use Project

See also under "Mixed Use Development".

8. Debt and Financing

Project Financing (BH9330)

CRA/LA staff administers the Project's financial resources, including financial planning, cash management, debt repayment, and issuance and administration of debt instruments. As of June 30, 2004, the outstanding principal for Bunker Hill was \$302,397,000 on Bunker Hill tax allocation bond issues, with all tax increment pledged towards the repayment of this debt, subject to cash trap requirements. In May 2004, CRA/LA undertook a refinancing and restructuring plan for its outstanding \$202,175,000 of Bunker Hill Series H bonds, \$49,740,000 of Bunker Hill Series I bonds, and \$50,000,000 of Bunker Hill Subordinate Series A bonds. The plan, which consisted of the sale of four series of bonds by CRA/LA and the Community Redevelopment Financing Authority of CRA/LA, accomplished CRA/LA's goals of eliminating exposure to variable interest rates, establishing a fixed amortization schedule, and releasing tax increment revenues from strict Series A covenants (which required the retention of all the pledged Bunker Hill tax increment revenues until the Series A bonds were retired) for use in future redevelopment projects. The plan reduced total debt service by \$28,120,000 resulting in an economic debt service savings of \$2,384,000. Any additional tax increment revenues that would become available for Project expenditures are pledged to the debt service reserve of the refinanced issues until 2018.

9. Administration

Project Administration, Permit/CEQA Processing, Debt Service, Project Wide Maintenance and Property Management

The operation of a redevelopment Project entails expenditures not linked to specific, anticipated projects including compliance with the California Environmental Quality Act (CEQA), permit processing costs that are statutory, overall project operations and technical staff costs, office facility costs, supplies, equipment, materials, fees for insurance and maintenance of CRA/LA-owned properties for interim use prior to development, community meeting costs, contracted public easement costs, community outreach, and general legal costs. The greatest portion of this category is debt service on previously issued tax allocation bonds. Interim use of CRA/LA-owned property as parking lots and construction staging sites allows the CRA/LA to derive interim program income, while keeping the sites in active use and reducing CRA/LA maintenance costs.

B. OTHER DEVELOPMENTS IN THE PROJECT AREA

During the period of the previous Five Year Implementation Plan (October 2004 – October 2009), a high level of significant development activity occurred in the Project Area that involved CRA/LA staff assistance and permit review, but did not involve CRA/LA financial participation. A total of 181 building permits totaling approximately \$21,000,000 from 2005 to 2009 were issued for repairs, renovations, and tenant improvements within the Project Area.

III. ACTIVITY REPORT ON THE NEXT IMPLEMENTATION PLAN PERIOD

For the final Implementation Plan period, activities in Bunker Hill will focus on public improvements throughout the Project, disposition and development of Parcel Y-1, and implementation of an arts retention program and support for on-going and/or planned art and cultural venues. The improvement of circulation and provision of additional pedestrian and vehicular access is a goal throughout the Project. Towards that end, improvements to streetscapes, particularly for Olive, Hill, and Grand will continue during this Implementation Plan period. Staff will also engage in disposition development activities for Parcel Y-1. Should the Grand Avenue Project move forward, staff will monitor the development project for compliance.

The Bunker Hill Housing Trust Fund will continue to operate and help finance affordable housing projects citywide.

Over the next five years, CRA/LA plans to implement the following projects and programs, grouped into the following categories:

- A. AFFORDABLE HOUSING PROJECTS AND PROGRAMS
- B. ECONOMIC DEVELOPMENT PROJECTS AND PROGRAMS
- C. COMMUNITY FACILITIES AND PROGRAMS
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- E. PUBLIC IMPROVEMENT PROJECTS AND PROGRAMS
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Each list below describes each project or program, and the blighting-related conditions that will be eliminated, the Redevelopment Plan goals that will be achieved, and estimated costs and investments (including tax increment, grants, and alternative financing sources).¹

¹ Costs are subject to change, and completion of these projects may require future action by CRA/LA.

A. AFFORDABLE HOUSING PROJECTS AND PROGRAMS

AFFORDABLE HOUSING PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS (SEE ADDENDUM)
<p>1. Angelus Plaza This project involves renovation of all 1,093 units in the Angelus Plaza senior housing complex as well as upgrades to all common areas and major building systems. Originally completed in 1980 and 1981, Angelus Plaza consists of Angelus Plaza I (255 S. Hill St.), Angelus Plaza North (200 S. Olive St.), and the Agape Senior Activity Center, a six-story, 75,000 square-foot administration building featuring health and social services, as well as daily conveniences for the residents. Angelus Plaza is the largest, single, federally supported low-income senior housing complex in the nation.</p> <p>CRA/LA issued approximately \$213 million in multi-family senior housing revenue bonds in 2008 to provide tax-exempt financing in addition to Low Income Housing Tax Credits (LIHTCs) awarded by the California Debt Limit Allocation Committee (CDLAC), Housing Assistance Payment contracts with the Department of Housing and Urban Development (HUD), and developer equity to finance this project. As part of the transaction, net sale proceeds totaling approximately \$57 million were deposited into the Angelus Trust, a trust fund for the preservation, rehabilitation, and new construction of affordable housing within the City of Los Angeles and nationwide. Included as part of the Trust is a \$10 million revolving acquisition fund for workforce housing for-sale projects targeting the South Los Angeles Initiative target area.</p> <p>As of July 31, 2009, approximately \$13 million has been spent on construction and 277 units of 1,093 total units have been rehabilitated. Staff will continue to monitor construction and check for compliance.</p> <p>Agreements: Regulatory Agreements, Amended and Restated Trust Agreement, 13th Implementation Agreement Developer: Retirement Housing Foundation Total Development Cost of the Project: \$213,000,000 Construction completion date (est.): FY2011 Blighting conditions addressed: This project provides affordable housing and services for the senior population in the downtown area. This furthers the removal of blight by implementing the goals and objectives of the Bunker Hill Redevelopment Plan that call for the replacing substandard housing with decent, safe and sanitary housing for all income and age groups. Redevelopment Plan goals achieved: 12 Jobs generated (est.): 186 construction Project Timeframe: FY2009 - FY2011</p>	\$150,000	1.1.1 2.1.1 2.1.4

AFFORDABLE HOUSING PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS (SEE ADDENDUM)
<p>2. Grand Avenue - Parcel Q</p> <p>A mixed-use development project located at 100 South Grand Avenue consisting of: a 275-room hotel; 490 housing units (98 affordable); 284,000 sf retail; 1,510 parking spaces; Grand Ave streetscape improvements; and the 16-acre Civic Park. Funding for affordable housing on Parcel Q is calculated at \$100,000 per unit.</p> <p>As of February 2009, the Grand Avenue Joint Powers Authority has granted the Developer a 24-month extension for the construction start on Parcel Q, conditioned upon the payment of penalties at \$250,000 per month for each month the start of construction is delayed.</p> <p>Agreements: Grand Avenue DDA/Ground Lease, Conveyance and Funding Agreement, Developer: Related Companies (Grand Avenue LA, LLC) Total Development Cost of the Project: \$1 billion for Parcel Q Construction completion date (est.): FY2015 at latest Blighting conditions addressed: This project helps eliminate blight by facilitating the construction of a significant development on two sites that are underutilized parking lots. The project will provide additional housing and retail opportunities for the downtown workforce, reducing the demand on the regional and local transportation system. Redevelopment Plan goals achieved: 10, 11, 13, 15, 16 Jobs generated (est.): 3,025 Full-Time Equivalent (FTE) direct construction jobs; 1,800 FTE direct permanent jobs Project Timeframe: FY2010 - FY2015</p>	\$10,000,000	<p>1.1.1</p> <p>1.1.2</p> <p>2.1.1</p>

AFFORDABLE HOUSING PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS (SEE ADDENDUM)
<p>3. Grand Avenue - Parcels L and M-2</p> <p>As part of the mixed-use Grand Avenue Project, up to 680 market-rate residential units and up to 170 affordable housing units are planned for Parcels L and M-2 at an agreed upon investment of \$100,000/unit, so long as CRA/LA receives housing set-aside tax increment revenues. See D1 below for further details regarding the project. Also planned for Parcels L and M-2 are approximately 100,000 square feet of retail space and/or cultural uses, and 1,570 parking spaces.</p> <p>Opportunities with MTA Regional Connector regarding station location will be explored for these parcels and other necessary and suitable public amenities to enhance Grand Avenue as a cultural destination.</p> <p>Agreements: Grand Avenue DDA/Ground Lease, Conveyance and Funding Agreement Developer: Related Companies (Grand Avenue LA, LLC) Total Development Cost of the Project: approximately \$1 billion for Parcels L and M-2 Construction completion date (est.): FY2017 at latest Blighting conditions addressed: This project helps eliminate blight by facilitating the construction of a significant development on two sites that are underutilized parking lots. The project will provide additional housing, retail, transit, and cultural opportunities for the downtown workforce and residents, reducing the demand on the regional and local transportation system. Redevelopment Plan goals achieved: 10, 11, 13, 15, 16 Jobs generated (est.): TBD Project Timeframe: FY2012 – FY2017</p>	<p>\$17,000,000</p> <p><i>(affordable housing)</i></p> <p>\$2,500,000</p> <p><i>(site preparation)</i></p> <p>\$13,000,000</p> <p><i>(public improvements and parking)</i></p>	<p>1.1.1</p> <p>1.1.2</p> <p>2.1.1</p>

AFFORDABLE HOUSING PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS (SEE ADDENDUM)
<p>4. Response to Housing Opportunities (BH1990) This ongoing objective involves setting aside housing funds for future housing projects. CRA/LA staff will monitor housing development programs and/or rehabilitation housing loan program to help provide housing for the area residents. This objective's goal is to provide a response to housing proposals within the area.</p> <p>Additionally, the balance of Bunker Hill Low-Moderate Income Housing Fund monies (after Grand Avenue affordable housing obligations are fulfilled) will be applied towards fulfilling the Skid Row Vision and Action Plan through the acquisition, rehabilitation, and conversion of market-rate residential hotels into permanent affordable housing units with 55-year affordability covenants within the Central City East area (more familiarly known as "Skid Row"). Assuming a typical average gap assistance of \$50,000 per affordable unit, CRA/LA anticipates assisting approximately 700 units through FY2022.</p> <p>Construction completion date (est.): FY2022 Blighting conditions addressed: This objective will help eliminate blight by providing the much needed affordable housing. This is necessary for maintaining an effective workforce critical to many of the major industries in the region, such as garment, hospitality, tourism, and manufacturing. Redevelopment Plan goals achieved: 1, 2, 7, 18 Jobs generated (est.): TBD Project Timeframe: FY2010 – FY2022</p>	<p>\$35,000,000 <i>(through FY2022)</i></p>	<p>1.1.1 2.1.1</p>

B. ECONOMIC DEVELOPMENT PROJECTS AND PROGRAMS

ECONOMIC DEVELOPMENT PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. Design for Development (BH6030) During this Five-Year Implementation Plan period, the Bunker Hill Design for Development Guidelines will be implemented. The Guidelines provide standards for physical development of the project area pursuant to the Redevelopment Plan and the Five-Year Implementation Plan. The Guidelines increase the Project Floor Area Ratio (FAR) from an overall average of 5:1 to 6:1 resulting in an additional 3.5 to 4 million square feet of development capacity. An EIR was prepared and approved in FY08 for the increased density that analyzes potential impacts and identifies feasible mitigation measures, if any.</p> <p>Blighting conditions addressed: This activity will provide a mechanism to facilitate the development of vacant or under-utilized parcels remaining within the Project Area. Redevelopment Plan goals achieved: 11, 13 Jobs generated (est.): N/A Project Timeframe: FY2010 - FY2012</p>	\$100,000	1.1.1
<p>2. Arts Retention Program Implementation of CRA/LA's objective of attracting and retaining high quality, financially responsible, community-based arts organizations to the Project Area. Organizations were selected through a highly competitive Request for Qualifications (RFQ) process for financial assistance in a total amount not to exceed \$275,600 for a three-year term, subject to the availability of Cultural Trust Funds and Project Area tax increment revenues. Assistance will include a range of activities including, but not limited to: public art commissions, interior/exterior improvements, and property acquisition/rehabilitation for cultural facilities. Pre-qualified arts and cultural organizations are: Grand Performances, Esotouric, Angels Flight Railway, Museum of Contemporary Art (MOCA), RED/CAT, and Shakespeare Festival/LA.</p> <p>Blighting conditions addressed: This project eliminates blight by increasing the development opportunities within the project area and furthering the redevelopment of vacant and underutilized parcel. Redevelopment Plan goals achieved: 12 Jobs generated (est.): TBD Project Timeframe: FY2010 - FY2012</p>	\$350,000	1.1.1 2.3.1

C. COMMUNITY FACILITIES AND PROGRAMS

COMMUNITY FACILITIES AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. Public Facilities and Open Space / Project Wide Maintenance and Property Management (BH3110)</p> <p>This project involves the maintenance of CRA/LA-owned properties in Bunker Hill, some of which are open landscaped spaces enjoyed by the general public. Providing effective property management services and maintaining CRA/LA-owned and controlled properties are essential to assure cleanliness, safety and security.</p> <p>Financial assistance may be provided for the construction of public facilities that facilitate economic development projects as well as educational and cultural facilities, public WiFi, visitor centers, internet-ready information kiosks and public open space in Bunker Hill or in the greater downtown community that is of benefit to Bunker Hill.</p> <p>Blighting conditions addressed: The proper maintenance of CRA/LA-owned properties eliminates blight by keeping the area clean, safe and secure. This effort furthers the goal of improving the overall image of the area for visitors, employees and residents until such time as the property can be developed in accordance with the Design for Development.</p> <p>Redevelopment Plan goals achieved: 8, 9, 12,</p> <p>Jobs generated (est.): TBD</p> <p>Project Timeframe: FY2010 - FY2022</p>	<p>\$20,000,000</p> <p><i>(through FY2022)</i></p>	<p>1.1.1</p> <p>1.2.2</p> <p>1.4.1</p>

D. MIXED USE DEVELOPMENT PROJECTS

MIXED USE PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. Grand Avenue Project (BH1050, BH3090) Parcel Q (100 S Grand Ave); Parcel W-2 (440 W 1st St), Parcel L (220 S Hope St), Parcel M-2 (235 S Hope St); Grand Ave from 5th St to Cesar E. Chavez Ave; County Mall, Court of Flags</p> <p>The overall purpose of the Grand Avenue Project is to create a mixed-use development that will serve as a vibrant, regional destination with welcoming public open spaces, public art, and cultural amenities, celebrating and contributing to the cultural corridor of Grand Avenue. This multi-phased, mixed-use development project consists of up to 3.6 million square feet of residential, hotel, retail, cultural, and potentially office uses.</p> <p>The Grand Avenue Joint Powers Authority entered into an Exclusive Negotiation Agreement with the Related Companies for a master development plan for the vacant County and CRA/LA parcels and a financing plan (the "Implementation Plan"). Following the preparation of an Environmental Impact Report and more detailed plans for the development of Parcel Q, CRA/LA, the City and the County approved the Disposition and Development Agreement (DDA) and ground leases with the Related Companies.</p> <p>Extensive community benefits were negotiated as part of this development deal, including construction and permanent job training programs; a developer-funded revolving loan program for permanent supportive housing projects; Civic Park; on-site public space improvements; and sustainable development.</p> <p>As of February 2009, the Grand Avenue Joint Powers Authority has granted the developer a 24-month extension for the construction start of Parcel Q, conditioned upon the payment of penalties at \$250,000 per month for each month the start of construction is delayed.</p> <p>Parcel Q: 275-room hotel; Up to 500 housing units (of which 20% will be affordable); 284,000 sf retail; 1,510 parking spaces; Grand Avenue streetscape improvements; 16-acre Civic Park.</p> <p>Parcels L and M-2: 850 housing units (170 affordable); 101,000 sf retail, 1,570 parking spaces; Grand Avenue streetscape improvements.</p> <p>Parcel W-2: Up to 1,310 housing units (up to 262 affordable); 64,000 sf of retail; up to 2,175 parking spaces; possibly 681,000 sf of office space.</p> <p>All Parcels: 9 acres (development) / 25 acres (including Civic Park); up to 3.6 million sf.</p> <p>CRA/LA Investment: \$10 million residual receipts loan for</p>	<p>\$40,400,000</p> <p>(through FY2022)</p>	<p>1.1.1</p> <p>1.1.2</p> <p>2.1.1</p> <p>2.2.1</p>

<p>Parcel Q affordable housing (3% simple interest rate, 55 year term); \$5 million loan for Parcel Q off-site improvements (5% simple interest rate, 30 year term, repayable from parking revenues); \$7.4 million grant for Parcel Q on-site public improvements; \$2 million grant for streetscape improvements (Parcels L and M-2). In addition, CRA/LA may assist the development of a cultural use on Parcels L and M-2 that would be of benefit to Bunker Hill and the greater Downtown area. Assistance may include costs associated with the preparation of the site for construction (\$2 million), permit and entitlement fees (\$1 million), and the cost of public parking (\$13 million).</p> <p>Agreements: Grand Avenue DDA/Ground Lease, Conveyance and Funding Agreement Developer: The Related Companies (Grand Avenue LA, LLC) Total Development Cost: \$3 billion for all four parcels Construction completion date (est.): FY2017 at latest for all parcels Blighting conditions addressed: This project helps eliminate blight by facilitating the construction of a significant development on two sites that are underutilized parking lots. The project will provide additional housing and retail opportunities for the downtown workforce, reducing the demand on the regional and local transportation system. This project provides pedestrian enhancements, provides needed public green open space, and increases the economic viability of the Project. Redevelopment Plan goals achieved: 9, 10, 11, 12, 13, 14, 15, 16 Jobs generated (est.): 3,025 construction FTE's for Parcel Q; 1,800 permanent FTE's for Parcel Q Project Timeframe: FY1999 – FY2018</p>		
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E. PUBLIC IMPROVEMENT PROJECTS AND PROGRAMS

PUBLIC IMPROVEMENT PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. 3rd Street Tunnel Installation of new interior tunnel lighting by the City of Los Angeles Bureau of Street Lighting through a City/CRA/LA Cooperation Agreement at a cost of \$525,000. The City has completed all engineering and tunnel surface preparation and lights will be installed by spring 2010.</p> <p>The Third Street Tunnel will also get a facelift at its western portal with a sustainable public art element at the tunnel entrance, new Caltrans freeway signage, and defensible landscaping that will harmonize with landscaping being installed by Angelus Plaza.</p> <p>Construction completion date (est.): FY2011 Blighting conditions addressed: This project provides pedestrian enhancements, improves transportation access, and increases the economic viability of the Project. Redevelopment Plan goals achieved: 8, 9 Jobs generated (est.): TBD Project Timeframe: FY2009 – FY2011</p>	\$875,000	1.1.1 1.4.1

PUBLIC IMPROVEMENT PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>2. Civic Park (BH1050, BH3090)</p> <p>As a major component of the approximately 3.6 million square foot development Grand Avenue Project (see D1 above), the Civic Park is envisioned to stretch from the Music Center at the top of Bunker Hill down four blocks to City Hall. The Park is to be created on the site of the existing Los Angeles County Mall, as well as on the existing Court of Flags and the surface parking lot adjacent to City Hall. The Park site comprises approximately 16 acres total, bordered by buildings along both its north and south sides, and drops approximately 90 feet in elevation from Grand Avenue to Spring Street. Two streets, Hill Street and Broadway, pass through the Park precinct. All of the land in which the Park will be located is owned by the County.</p> <p>Construction of the Park is expected to be completed within the next two years. As of April 2009, sources of funds for the Civic Park consist of the \$50 million in pre-paid leasehold acquisition fee for Phase I and part of Phase II of the Grand Avenue development parcels, \$750,000 from interest earnings and \$4.28 million in anticipated interest earnings from the pre-paid leasehold fee, and \$970,000 in Proposition 40 funds. An additional \$27,100,000 in State of California Proposition 1C funds has been awarded but not yet disbursed, as a result of the ongoing State budget crisis.</p> <p>Agreements: Civic Park Design Agreement; Civic Park Development Agreement Fee developer: Related Companies CRA/LA Investment: \$5.22 million in pre-paid ground rent for Parcels L and M-2 Total Development Cost of the Project: \$56 million Construction completion date (est.): FY2012 Blighting conditions addressed: This project provides pedestrian enhancements, provides needed public green open space, and increases the economic viability of the Project. Redevelopment Plan goals achieved: 9, 11, 13, 15 Jobs generated (est.): 45 construction Project Timeframe: FY2010 – FY2012</p>	<p>\$5,220,000</p> <p><i>(CRA/LA's share of pre-paid ground rent for Parcels Q, L, and M-2, which is re-invested in Civic Park as part of \$55 million)</i></p>	<p>1.1.1</p> <p>1.1.2</p> <p>1.4.1</p> <p>2.2.1</p>

PUBLIC IMPROVEMENT PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>3. Regional Connector Collaboration with MTA on the siting and design of the proposed Regional Connector station and portal location(s) in Bunker Hill in a manner that maximizes pedestrian access to/from Grand Avenue while integrating into future design/development plans for Parcels L and M-2 as part of the Grand Avenue Project. Participation may also include streetscape improvements and the provision of other public amenities, such as public parking, to enhance and encourage use of Regional Connector.</p> <p>Construction completion date (est.): FY2012 Blighting conditions addressed: This project provides pedestrian enhancements, enhances transportation access, and increases the economic viability of the Project. Redevelopment Plan goals achieved: 8, 12 Jobs generated (est.): 45 construction Project Timeframe: May 2010 – Spring 2012</p>	\$500,000	1.1.1 1.2.2 1.4.1
<p>4. LA Streetcar Project Area will provide \$100,000 as part of an overall \$400,000 contract to Community Partners/LA Streetcar, Inc. for the purpose of creating an assessment district that could potentially fund up to 50% of the estimated cost of a Downtown Streetcar project to directly serve the Bunker Hill and City Center Redevelopment Projects. The work is envisioned over an 18-month period in which potential alignments to serve Bunker Hill would be on Olive or Hope Street. In coordination with this work, Bunker Hill and City Center will each be contributing an additional \$300,000 for a total of \$600,000 leveraging non-CRA/LA funding sources to start the formal Alternatives Analysis/Environmental for potential FTA participation in helping to finance an overall projected cost of \$90 to \$100 million. An additional \$5 million is anticipated from Bunker Hill funds, with a matching contribution from City Center, to help finance the development and construction of the system.</p> <p>Construction completion date (est.): FY2014 Blighting conditions addressed: This project provides pedestrian enhancements, enhances transportation access, and increases the economic viability of the Project. Redevelopment Plan goals achieved: 8, 12 Jobs generated (est.): TBD Project Timeframe: FY2010 – FY2014</p>	\$5,400,000 <i>(through FY2022)</i>	1.1.1 1.2.2 1.4.1

PUBLIC IMPROVEMENT PROJECTS AND PROGRAMS		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>5. Project-Wide Public Improvement Program Repair of sidewalks, curbs, gutters, tree wells, throughout the Project Area; replanting of dead or dying street trees and installation of new street trees; installation of public amenities, including street furniture for Hill, Olive, and 1st Streets in particular. May also include construction of a public parking structure to serve retail and cultural uses in the Project Area. As part of the Grand Avenue Project, streetscape improvements and on-site public improvements will be installed in phases for pedestrian enhancements to Upper Grand Avenue, between Fifth and the Hollywood Freeway. Phase I of the Grand Avenue streetscape improvements between 1st and 2nd Streets was completed with the opening of the new Disney Hall. Phase II, consisting of 2nd to 5th and 2nd to Temple Streets, will be completed in coordination with the construction of Parcel Q of the Grand Avenue Project.</p> <p>Construction completion date (est.): FY2017 Blighting conditions addressed: This project provides pedestrian enhancements enhances transportation access, and increases the economic viability of the Project. Redevelopment Plan goals achieved: 11, 12 Jobs generated (est.): TBD Project Timeframe: FY2010 – FY2017</p>	\$3,000,000	1.1.1 1.2.2 1.4.1

F. DEVELOPMENT OPPORTUNITIES

DEVELOPMENT OPPORTUNITIES		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. Parcel Y-1 of California Plaza (BH1070, BH2050, BH3130, BH3140) California Plaza, situated between Grand Avenue, Hill, Fourth and Second Streets, is a multi-phased, mixed-use development. CRA/LA-owned Parcel Y-1 is the last parcel to be developed for future office, commercial, housing, and/or cultural uses. An RFP is anticipated to be released during this final Implementation Plan period. Project activities will also include: monitoring ongoing lease agreements; maintenance of Angels Knoll; support for the Watercourt Grand Performances programming, and public infrastructure investment for future commercial development on Y-1.</p> <p>Construction completion date (est.): TBD Blighting conditions addressed: This project will help eliminate blight by furthering the redevelopment goals and objective for the Project, which call for the development of a full range of housing, employment opportunities and cultural facilities for the "...entire Los Angeles metropolitan area." Redevelopment Plan goals achieved: 12, 13, 16 Jobs generated (est.): TBD Project Timeframe: TBD</p>	\$1,500,000	1.1.1 1.1.2 1.2.2 1.4.1
<p>2. Parcels L and M-2 If for any reason, this phase of the Grand Avenue Project should not move forward as contemplated in the DDA/Ground Lease, CRA/LA will engage in development activities for these two CRA/LA-owned parcels for possible future office, commercial, housing, and/or cultural uses.</p> <p>Construction completion date (est.): TBD Blighting conditions addressed: This project will help eliminate blight by furthering the redevelopment goals and objective for the Project, which call for the development of a full range of housing, employment opportunities and cultural facilities for the "...entire Los Angeles metropolitan area." Redevelopment Plan goals achieved: 12, 13, 16 Jobs generated (est.): TBD Project Timeframe: TBD</p>	\$100,000	1.1.1 1.1.2 1.2.2 2.1.1 1.4.1

G. SALE OR LEASE OF CRA/LA OWNED LAND

SALE OR LEASE OF CRA/LA OWNED LAND		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
See Parcels Y-1 (F1) and L and M-2 (F2) for further detail.		

H. DEBT AND FINANCING

DEBT AND FINANCING		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. Project Financing (BH9330)</p> <p>As of June 30, 2009, the outstanding principal on the Bunker Hill tax allocation bond issues totaled \$268,200,000, with all tax increment pledged towards the repayment of this debt, subject to cash trap requirements. As of January 1, 2012, when the Plan effectiveness expires, outstanding principal will be for \$245,460,000. Tax increment revenues may be received up to FY2022 to pay for outstanding debt.</p> <p>Total project financing expenditures for this Implementation Plan period are projected to be \$59,476,000, consisting of \$59,063,000 of principal and interest expense on the senior and subordinate bonds and \$413,000 of administrative costs and fees related to the bonds.</p> <p>Blighting conditions addressed: Administering a Redevelopment Project necessarily entails CRA/LA staff activities enumerated above. Administration of the Project's financial resources ensures that such resources are used in compliance with the Community Redevelopment Law and in furtherance of the physical and economic revitalization of the Project Area.</p> <p>Redevelopment Plan goals achieved: 16</p> <p>Project Timeframe: FY2010 – FY2022</p>	\$60,000,000	

I. ADMINISTRATION

ADMINISTRATION		
PROJECT DESCRIPTION	ESTIMATED CRA/LA INVESTMENT	CRA/LA STRATEGIC PLAN GOALS MET (SEE ADDENDUM)
<p>1. Response to Development Opportunities (BH6990)</p> <p>The operation of a Redevelopment Project entails expenditures not linked to specific projects enumerated in this Implementation Plan including administration costs, permit and CEQA processing costs, statutory or other legal obligations of CRA/LA, and programs and projects necessary to implement the Redevelopment goals and objectives for property acquisition and disposition, and assistance in the development and construction of industrial, commercial, residential, and public facilities and public improvements, including negotiation and implementation of the Design for Development increase in development density (see B1). Also included are project operations and technical staff costs, site office facility costs, supplies, equipment, materials, insurance and maintenance of CRA/LA-owned properties, community meeting costs and general legal costs.</p> <p>Blighting conditions addressed: CRA/LA staff activities outlined above will help to eliminate blight by ensuring that development in the Project Area meets the goals and objectives of the Redevelopment Plan and is being carried out in conformance with the Redevelopment Plan. The staff functions will also further efforts to reverse the physical and economic decline of the downtown area.</p> <p>Redevelopment Plan goals achieved: 11</p> <p>Project Timeframe: ongoing</p>	\$500,000	<p>1.1.1</p> <p>1.2.2</p>
<p>2. Project General (BH9990)</p> <p>Administering a Redevelopment Project necessarily entails costs that are not directly related to a specific work objective, but rather are related to the administration of the project including technical, legal, and administrative services and other community related services. CRA/LA staff will administer the Project's ongoing activities, including complying with public notification requirements, providing public information, monitoring compliance with CRA/LA policies, and responding to inquiries from developers, property owners and others. These services are funded under Project General.</p> <p>Blighting conditions addressed: Administering a Redevelopment Project necessarily entails CRA/LA staff activities and other administrative costs enumerated above. Administration of the Project ensures that redevelopment activities are carried out in compliance with the Community Redevelopment Law and in furtherance of the physical, economic and social revitalization of the Project Area.</p> <p>Redevelopment Plan goals achieved: 11</p> <p>Project Timeframe: ongoing</p>	\$500,000	<p>1.1.1</p> <p>1.1.2</p>

**J. PAYMENTS TO THE STATE SUPPLEMENTAL EDUCATIONAL REVENUE
AUGMENTATION FUND (SERAF)**

In order to meet the State of California mandated Supplemental Educational Revenue Augmentation Fund (SERAF) transfer of \$2.05 billion, CRA/LA has implemented a schedule of payments for each redevelopment project area. For Bunker Hill, the following transfers are being considered:

FY10	\$3,244,046
<u>FY11</u>	<u>\$667,249</u>

Total: \$3,911,295

Litigation challenging the legality of the SERAF legislation has been filed by the California Redevelopment Association and certain redevelopment agencies. These payments will be made only if legally required.

IV. AFFORDABLE HOUSING PROGRAM

A. IMPLEMENTATION PLAN REQUIREMENTS

This section of the Implementation Plan presents those components of CRA/LA's intended program for the Project Area that deal with the expenditure of funds and activities relating to the production of housing affordable to persons and families of low and moderate income. Low and moderate income is defined in the California Redevelopment Law ("CRL") and is set annually by the California Housing and Community Development Department ("HCD"). The income levels are published annually by HCD and are defined as follows:

Income Category	% of Median Income Range for Applicable Household Size	Section²
Moderate	81% to 120%	50093
Low	51% to 80%	50079.5
Very-Low	50% or lower	50105

The CRL provides that, in addition to the removal of blight, a fundamental purpose of redevelopment is to expand the supply of low and moderate income housing (Section 33071). To accomplish this purpose, the CRL contains numerous provisions to guide redevelopment agency activities with regard to low and moderate-income housing. This section of the Implementation Plan addresses how CRA/LA's plans for the Project Area will achieve many of the housing responsibilities contained in the CRL. Section 33490 of the CRL requires that the housing component of the Implementation Plan address the applicable items presented in the list below.

1. Production of Housing Based on Activities in the Project Area

- a. At least 30% of all new and substantially rehabilitated dwelling units developed by an agency shall be available at affordable housing cost to persons and families of low and moderate income and shall be occupied by these persons and families (Section 33413(b)(1));
- b. At least 15% of all **new** dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the agency shall be available at affordable housing cost to persons and families of low or moderate income, of which not less than 60% shall be affordable to Very Low Income households and shall be occupied by these persons or families (Section 33413(b)(2);
- c. At least 15% of all **substantially rehabilitated** units that have received agency assistance shall be available at affordable housing cost to persons and families of low or moderate income, of which not less than 60% shall be affordable to Very Low Income households, and shall be occupied by these persons or families (Section 33413(b)(2)(iii));
- d. Suitable locations must be identified for replacement housing units constructed or substantially rehabilitated pursuant to Section 33413(a), if the destruction or removal of low and moderate-income housing units will result from a project contained in the Implementation Plan (Section 33490(a)(3)).

2. Set-Aside and Expenditure of Tax Increment for Housing Purposes

- a. The "Set-Aside" of a minimum of 20% of tax increment in projects adopted on or after January 1, 1977 (Section 33334.2); and

² All referenced sections are found in the California Health and Safety Code, unless otherwise indicated.

- b. The proportional expenditure of low and moderate income Housing Funds on low and very low income housing (Section 33334.4).

3. Additional requirements of Section 33490:

- a. Estimates of the balances and deposits into the low and moderate income Housing Fund created to hold the set-aside of tax increment;
- b. A housing program identifying anticipated expenditures from the low and moderate income Housing Fund;
- c. An indication of housing activity that has occurred in the Project Area; and
- d. Estimates of housing units that will be produced for each of the various income categories.

All of the information required by Section 33490 is provided in the following sections of this Implementation Plan.

B. HISTORICAL AFFORDABLE HOUSING ACTIVITIES

The Redevelopment Plan for the Project Area was adopted on March 31, 1959. Through FY2009, four (4) projects were completed that produced 1,229 affordable housing units within the Project Area.

Project Name	Year Built	Project Type	Total Number of Units	Number of Affordable Units	Very Low Income Units	Covenant Period (years)
Angelus Plaza I	1980	Senior	761	757	227	35
Angelus Plaza North	1981	Senior	332	330	99	35
Promenade Towers	1986	Rental	583	86	0	45
Grand Promenade	1989	Rental	372	56	0	45
TOTALS			2,048	1,229	326	

C. HOUSING GOALS AND OBJECTIVES OF IMPLEMENTATION PLAN

The primary goal of CRA/LA is to comply in a responsible manner with the affordable housing requirements imposed by the CRL. The CRL requires that certain housing goals be achieved over various time periods. The inclusionary housing production requirement of Section 33413 and the proportionality requirement of Section 33334.4 both are required to be met by December 31, 2014 and every ten years thereafter throughout the life of the Redevelopment Plan. It is CRA/LA's goal and objective for this Implementation Plan to accomplish sufficient activity and expenditures to comply with the applicable requirements. The following section discusses housing activities planned for this next Implementation Plan period.

1. Low and Moderate Income Housing Fund Resources

The following presents the estimated low and moderate income Housing Fund cash flow for the first five years of this Implementation Plan. The estimated deposits are based on a tax increment projection along with other sources of revenues identified by CRA/LA staff. The Set-Aside revenue includes the following:

- A. Twenty percent (20%) of the estimated gross tax increment for the Project Area;
- B. Interest earned;
- C. Sale of land originally acquired by CRA/LA using low and moderate income Housing Funds;
- D. Residual receipt revenue to CRA/LA;
- E. Loan repayments to CRA/LA;
- F. Future bond proceeds; and
- G. Cash reserves from previous fiscal years.

The total projected revenues that will be deposited into the low and moderate income Housing Fund during the Implementation Plan period is as follows:

LOW AND MODERATE INCOME HOUSING FUNDS	Projected Revenues during Implementation Plan Period
Beginning Balance	20,627,000
Property Tax Increment	32,996,000
Interest	10,000,000
Sale of Land	-
Residual Receipts	-
Loan Repayment	10,000,000
Bond Proceeds	-
Other deposits to the Fund	6,660,000
Total Projected Revenues	\$ 80,283,000

Actual revenues may vary depending on various factors, such as lower-than-projected tax increment or postponement of anticipated bond issuance due to market conditions.

2. The Housing Program and Low and Moderate Income Housing Fund Expenditures

The expenditures can be broken into four categories as described below.

The total projected expenditures of low and moderate income Housing Fund revenues during the Implementation Plan period is as follows:

Category	Projected Expenditures during Implementation Plan Period
Projects	27,000,000
Programs	20,000,000
Administration	660,000
Debt Service	32,336,000
Total Expenditures	\$ 79,996,000

a. Projects

CRA/LA over the next five years will continue to implement projects that will provide affordable housing opportunities within the Project Area. The following summarizes how CRA/LA will assist projects during the next five years and beyond:

Project Name	Description	Affordability Mix <i>(Income Categories per HCD)</i>	Estimated Completion	Estimated LMIHF Expenditures
Angelus Plaza I	Senior housing complex currently undergoing renovations via issuance of multi-family senior housing revenue bonds by CRA/LA; new 55-year affordability covenants recorded; HUD Housing Assistance Payment (Project-based Section 8) to further subsidize rents	100% at Moderate Income	5/2011	-
Angelus Plaza North	Senior housing complex; currently undergoing renovations via issuance of multi-family senior housing revenue bonds by CRA/LA; new 55-year affordability covenants recorded; HUD Housing Assistance Payment (Project-based Section 8) to further subsidize rents	100% at Moderate Income	10/2009	-
Grand Avenue – Parcel Q	Rental apartments on Parcel Q of mixed-use Grand Avenue Project	20% of total units to be affordable (35% at Very Low Income; 65% at Moderate Income	6/2014	10,000,000
Grand Avenue – Parcels L and M-2	Rental apartments on Parcels L and M-2 of mixed-use Grand Avenue Project	20% of total to be affordable at Moderate Income levels	6/2017	17,000,000
TOTAL				\$27,000,000

b. Programs

The following summarizes the programs CRA/LA plans to implement:

Program Name	Description	Target Affordability	Estimated LMIHF Expenditures
Citywide Affordable Housing Program (Bunker Hill replacement housing and finding of benefit housing programs)	Varies	Varies	\$20,000,000

c. Administration

Administration includes costs for professional services and other administrative costs incurred in the course of operating the housing activities of the Project Area. This category is used for general administration costs not associated with any specific project or program, such as annual audits and legal services. Project-specific administrative costs are included within the budget of each project or program.

d. Bond Debt Service

CRA/LA will continue to make principal and interest payments on past and future tax allocation bonds. The annual debt service is secured by low and moderate income Housing Fund revenues generated from tax increment.

3. Summary of Planned Housing Activities

CRA/LA has a number of affordable housing projects and programs that it plans to implement during the Implementation Plan period. Please consult pages 12-16 for further details.

- a. Angelus Plaza I
- b. Angelus Plaza North
- c. Grand Avenue – Parcel Q
- d. Grand Avenue – Parcels L and M-2

The table below is the proposed housing projects for the Project Area, with estimates of numbers of units and proposed expenditures over each of the next five years, by unit type.

PROJECTS BY YEAR		FY2010	FY2011	FY2012	FY2013	FY2014	TOTALS
A	No. of New Units	-	-	-	-	98	98
	Proposed Expenditure	-	-	-	-	\$10,000,000	\$10,000,000
B	No. of Rehabilitated Units	330	757				1,087
	Proposed Expenditure	-	-	-	-	-	-
C	No. of Price Restricted Units	-	-	-	-	-	-
	Proposed Expenditure	-	-	-	-	-	-
TOTAL UNITS		330	757	-	-	98	1,185
TOTAL PROPOSED EXPENDITURES		\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000

It should be noted that an additional 170 units of affordable housing financed by a \$17 million CRA/LA investment are anticipated in FY2017 via the Grand Avenue Project on Parcels L and M-2.

In addition to the aforementioned projects, CRA/LA anticipates expending approximately \$35 million on the following programs in the Project Area:

1. Bunker Hill Replacement Housing / Finding of Benefit

The table below provides the starting balance, expected deposits, and expenditure estimates of low and moderate income Housing Funds over each of the next five years.

	FY2010	FY2011	FY2012	FY2013	FY2014
STARTING BALANCE	20,627,000	16,787,000	12,527,000	8,367,000	4,287,000
Amount to be Deposited	11,884,000	11,632,000	11,848,000	12,046,000	12,246,000
Estimate of Expenditures	(15,724,000)	(15,892,000)	(16,008,000)	(16,126,000)	(16,246,000)
ENDING BALANCE	16,787,000	12,527,000	8,367,000	4,287,000	287,000

D. APPLICABLE LOW AND MODERATE INCOME HOUSING REQUIREMENTS

1. Replacement Housing Obligation

CRA/LA is required to meet replacement housing obligations pursuant to Section 33413(a). This section requires CRA/LA to replace, on a one-for-one basis, all units occupied by low and moderate-income households that are removed from the inventory as a result of CRA/LA actions. The removed units must be replaced within four years of removal. In addition to matching the number of dwelling units, CRA/LA must also replace an equal or greater number of bedrooms.

All replacement units for dwelling units removed on or after January 1, 2002, must be affordable to persons in the same or lower income category (If removed prior to January 1, 2002, 75% of replacement units must be affordable to persons in the same or lower income category). However, replacement housing units do not have to match other characteristics, such as rental vs. ownership and family vs. senior housing, as the units removed from inventory. Also, replacement units can be developed anywhere within the City limits. Section 33490 of the CRL requires that if an implementation plan contains projects that could result in the removal of low and moderate income housing units, the plan must identify locations suitable for the replacement of such housing.

From its inception, the Bunker Hill Redevelopment Project (formerly the Bunker Hill Urban Renewal Project) removed 7,310 units of housing. In subsequent years, CRA/LA committed to fulfilling an increased obligation for replacement housing to 2:1, then 3:1.

a. Past Removal of Low-Mod Income Units:

In 1959, prior to the adoption of the Bunker Hill Urban Renewal Project 1B, the existing housing stock and the Bunker Hill resident population were surveyed prior to the removal of housing units in the Project Area to find the following:

Unit Type	Units	Bedrooms
1-Bedroom	6,943	6,943
2-Bedroom	289	578
3-Bedroom	78	234
TOTAL	7,310	7,755

A total of 7,310 units comprising 7,677 total number of bedrooms were removed from the housing market as a result of the Bunker Hill Urban Renewal Project 1B.

	Total	Eligible for Public Housing	% of Total
Families	1,340	939	70%
Individuals	5,970	1,863	27%

A total of 1,340 families and 5,970 individuals were found to be residing in the removed units. Approximately 70% of the families and 27% of the individuals were categorized as being eligible for public housing.

As the Project Area has not yet fulfilled its replacement housing obligation, based on the information available, its outstanding obligations are estimated as follows:

	As of 1959		3:1 Replacement	
	Units	BRs	Units	BRs
Fulfillment			14,504	TBD
Obligation	7,310	7,755	21,930	23,265
(DEFICIT)			(7,426)	TBD

As illustrated in the preceding table, CRA/LA has not fully satisfied the 21,930-unit, 23,265-bedroom replacement housing obligation.

b. Future Removal of Low-Mod Income Units:

This Implementation Plan does not include projects or programs that would result in the removal of housing units from the low and moderate income housing stock. Therefore, there is no requirement to identify locations for replacement housing units.

c. Replacement Housing Obligation:

CRA/LA's replacement housing obligation must be calculated based on the number of bedrooms included in the units that are removed from the inventory. As there is a lack of historical data regarding the breakdown of units as occupied by households and individuals according to income categories at the time the housing units were removed, the following assumptions have been made for this analysis of the Project Area's replacement housing obligations:

- (a) Families and individuals found to be "eligible for public housing" are the equivalent of Very Low Income households and the balance are the equivalent of Low Income households, as both are currently defined in CRL, as shown below:

	Total	Very Low Income		Low Income	
		"Eligible for Public Housing"	% of Total	Not "Eligible for Public Housing"	% of Total
Families	1,340	939	70%	401	30%
Individuals	5,970	1,863	31%	4,107	69%

- (b) All studios and one-bedrooms were occupied by individuals, and all two-bedrooms and larger units were occupied by families;
- (c) All removed units were formerly occupied by Very Low Income and Low Income households pro-rata for each unit type as specified above; and
- (d) Therefore, all removed units shall be replaced at Very Low and Low Income levels pro-rata as follows:

Unit Type	At time of removal in 1959					
	Total		Very Low Income		Low Income	
	Units	BRs	Units	BRs	Units	BRs
Studios	-	-	-	-	-	-
One-Bedroom	6943	6,943	2,152	2,152	4,791	4,791
Two-Bedrooms	289	578	202	404	87	174
Three-Bedrooms	78	234	55	165	23	69
TOTALS	7,310	7,755	2,409	2,721	4,901	5,034

By electing to replace the original units lost at an increased ratio of three to one, CRA/LA would incur the following obligations:

Unit Type	Proposed 3:1 Replacement					
	Total		Very Low Income		Low Income	
	Units	BRs	Units	BRs	Units	BRs
Studios	-	-	-	-	-	-
One-Bedroom	20,829	20,829	6,457	6,457	14,372	14,372
Two-Bedrooms	867	1,734	607	1,214	260	520
Three-Bedrooms	234	702	164	492	70	210
TOTALS	21,930	23,265	7,228	8,163	14,702	15,102

d. Replacement Housing Fulfillment

To potentially fulfill the Project Area's outstanding replacement housing obligation, CRA/LA has identified the following projects outside of the Project Area that are to be funded by Bunker Hill funds and are currently in development or under construction:

Project Name	Address	Estimated Number of Affordable Units	Number of Bedrooms	Estimated Completion Date
Chinatown Metro Apartments	808-810 N. Spring St., 90012	133 total (33 Very Low; 36 Low; 64 Moderate)	71 studios; 55 1-BRs; 8 2-BRs	June 2011
Sunrise AMCAL	5111, 5113, & 5125 S. Main St., 90037	45 total (14 Very Low; 28 Low; 3 Moderate)	TBD	TBD
Mercy / La Opinion	1901 Santee St., 206 E. Washington Blvd., 1918 S. Los Angeles St., 90011	120	TBD	TBD
Broadway Apartments	157-161 E. 36th St. & 4775 S. Broadway, 90037	25 total (20 Very Low; 2 Low; 3 Moderate)	TBD	TBD
Wall / Slauson	200 E. Slauson Avenue, 90011	TBD	TBD	TBD
28th St YMCA / Clifford Beers Housing	1006 E. 28th St., 90011	48 total (23 Very Low; 15 Low; 10 Moderate)	48 studios	August 2012
Downtown Residential Hotels	TBD	TBD	TBD	TBD

CRA/LA anticipates that, as a result of continuing the policy of replacing the original housing units removed as part of the Bunker Hill Urban Renewal Project at a ratio of three to one, the Project Area will most likely have a replacement housing deficit at the end of the Redevelopment Plan's effectiveness and this Implementation Plan period. CRA/LA is fully committed to satisfying the Bunker Hill replacement housing obligation to the fullest extent possible.

2. Inclusionary Housing Obligation

The Project Area was adopted on March 31, 1959 and is therefore not subject to the inclusionary housing requirements imposed by Section 33413(b).

E. USE OF LOW AND MODERATE INCOME HOUSING FUND

1. Set-Aside of Tax Increment

The Project Area is subject to the Section 33334.2 requirement to allocate a minimum of 20% of the gross tax increment ("Set-Aside") to affordable housing activities. The Set-Aside is required to be deposited into a low and moderate income Housing Fund created to hold monies until expended. The projections of deposits into the low and moderate income Housing Fund are discussed in the following section of the Implementation Plan.

2. Proportional Expenditures of Low and Moderate Income Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that CRA/LA expend low and moderate income Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met between January 1, 2002 and December 31, 2014, and then again at 10-year intervals throughout the remaining life of the Project Area. These tests do not have to be met on an annual basis nor are they applied to unit production.

a. Net Low and Moderate Income Housing Fund Proceeds

To estimate the amount of proceeds that will be available for expenditure between January 1, 2002 and December 31, 2014, the following table illustrates the assumptions and calculation:

Fiscal Year	Tax Increment Deposits	Other Deposits	(Less) Administrative Expenses	(Less) Debt Service Payments	Net Low and Moderate Income Housing Fund Proceeds
1/1/02 – 6/30/02	2,342,000	488,000	(223,000)	(2,331,000)	276,000
2002/03	4,680,000	5,038,000	(653,000)	(4,703,000)	4,362,000
2003/04	5,031,000	23,942,000	(95,000)	(5,031,000)	23,847,000
2004/05	5,132,000	2,731,000	(199,000)	(5,132,000)	2,532,000
2005/06	6,194,000	6,458,000	(1,157,000)	(6,194,000)	5,301,000
2006/07	6,314,000	7,498,000	(1,314,000)	(6,314,000)	6,184,000
2007/08	6,434,000	9,603,000	(980,000)	(8,433,000)	6,624,000
2008/09	7,225,000	4,260,000	(306,000)	(7,225,000)	3,954,000
2009/10	6,324,000	5,560,000	(126,000)	(6,198,000)	5,560,000
2010/11	6,492,000	5,140,000	(130,000)	(6,362,000)	5,140,000
2011/12	6,608,000	5,240,000	(132,000)	(6,476,000)	5,240,000
2012/13	6,726,000	5,320,000	(135,000)	(6,591,000)	5,320,000
2013/14	6,846,000	5,400,000	(137,000)	(6,709,000)	5,400,000
7/1/14 – 12/31/14	3,423,000	2,700,000	(69,000)	(3,355,000)	2,699,000
Total Net Proceeds	79,771,000	89,378,000	(5,656,000)	(81,054,000)	\$82,439,000

As shown above, a total of \$82,439,000 of net proceeds are estimated to be deposited into the low and moderate income Housing Fund from January 1, 2002 through December 31, 2014.

b. Very-low and Low Income Housing Expenditures

The income proportionality test requires that CRA/LA expend low and moderate income Housing Funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on information contained within the City's General Plan.

Based on the City of Los Angeles General Plan Housing Element 2006-2014, the City's minimum required allocation for very low and low-income expenditures, and maximum moderate-income housing expenditures are:

Category	Housing Need ³	Threshold
Very-Low Income	27,238	At least 42.4%
Low Income	17,495	At least 27.3%
Moderate Income	19,304	At most 30.1%

It should be noted that CRA/LA is entitled to expend a disproportionate amount of the funds for very low-income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, CRA/LA can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event can the expenditures targeted to moderate-income households exceed the established threshold amount.

³ City of Los Angeles General Plan Housing Element 2006-2014, adopted by the Los Angeles City Council on August 13, 2008 (CF# 08-1933), pgs. 1-53, Table 1.27.

As shown above, a total of **\$82,439,000** of net proceeds are estimated to be deposited into the low and moderate income Housing Fund between January 1, 2002 and December 31, 2014. These funds must comply with the following distribution formulas:

Distribution	Expenditure
Minimum Estimated Expenditure on Very-Low Income Units @ 42.4%	\$34,954,136
Minimum Estimated Expenditure on Low Income Units @ 27.3%	\$22,505,847
Maximum Estimated Expenditure on Moderate Income Units @ 30.1%	\$24,814,139

As of the end of fiscal year 2009, CRA/LA had spent the following net proceeds by category:

January 1, 2002 through FY2009	Actual Expenditures	As a % of Requirements
Very-Low Income	19,587,555	56.0%
Low Income	6,949,788	30.9%
Moderate Income	36,561	0.1%
Total Expenditures	\$26,573,904	

As described on pages 31 through 36, CRA/LA plans to expend the following net proceeds by category from FY2010 through December 31, 2014:

FY2010 through December 31, 2014	Estimated Expenditures	As a % of Requirements
Very-Low Income	23,267,448	66.6%
Low Income	5,816,862	25.8%
Moderate Income	22,405,690	90.3%
Total Expenditures	51,490,000	

Therefore, the following summarizes the remaining net proceeds that must be spent by December 31, 2014 by category.

	Estimated Net Proceed Expenditure Requirements	(Less) Actual Expenditures	(Less) Implementation Plan Period Expenditures	Balance to Spent by 12/31/2014
Very-Low Income	34,954,136	(19,587,555)	(23,267,448)	(7,900,867)
Low Income	22,505,847	(6,949,788)	(5,816,862)	9,739,197
Moderate Income	24,814,139	(36,561)	(22,405,690)	2,371,888
Total Expenditures	82,274,122	(26,573,904)	(51,490,000)	4,210,218

CRA/LA plans to expend the remaining estimated low and moderate income Housing Funds so that by December 31, 2014, it has met its obligation to allocate 45% of the Low and Moderate Income Housing Fund project and program expenditures to very-low income households, 26% of the funds to low income households, and 29% of the funds to moderate income households. Thus, CRA/LA anticipates meeting the income targeting standards imposed by Section 33334.4.

c. Age Restricted Housing Expenditures

Section 33334.4 also requires that CRA/LA assist housing that is available to all persons, regardless of age, in at least the same proportion as the households earning below 80% of the median income and under age 65 bears to the City's total households earning below 80% of the median income. The 2000 Census indicates that 80% of CRA/LA expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents.⁴ Therefore, the maximum proportion of the net low and moderate income Housing Fund proceeds that CRA/LA is allowed to spend on age-restricted projects is 20%.

As shown above, a total of **\$82,439,000** of net proceeds are estimated to be deposited into the low and moderate income Housing Fund between January 1, 2002 and December 31, 2014. These funds must comply with the following distribution formulas:

Distribution	Expenditure
Maximum Estimated Expenditure on Age Restricted Projects @ 20%	\$16,487,800
Minimum Estimated Expenditure on Non-Age Restricted Projects @ 80%	\$65,951,200

As of the end of fiscal year 2009, CRA/LA had spent the following net proceeds by category:

January 1, 2002 through FY2009	Actual Expenditures	As a % of Requirements
Age Restricted Projects	2,078,103	12.6%
Non-Age Restricted Projects	24,495,801	37.1%
Total Expenditures	\$26,573,904	

As described on pages 31, through 36, CRA/LA plans to expend the following net proceeds by category from FY2010 through December 31, 2014:

FY2010 through December 31, 2014	Estimated Expenditures	As a % of Requirements
Age Restricted Projects	-	0.0%
Non-Age Restricted Projects	51,490,000	78.1%
Total Expenditures	\$51,490,000	

Therefore, the following summarizes the remaining net proceeds that must be spent by December 31, 2014 by category:

⁴ CHAS data provided by the United States Housing and Urban Development Department. A total of 116,975 of the 580,977 total households earning below 80% of the median are designated as senior citizen households.

	Estimated Net Proceed Expenditure Requirements	(Less) Actual Expenditures	(Less) Estimated Expenditures	Balance to Spend by 12/31/2014
Age Restricted Projects	16,487,800	(2,078,103)	-	14,409,697
Non-Age Restricted Projects	65,951,200	(24,495,801)	(51,490,000)	(10,034,601)
Total Expenditures	\$82,439,000	(26,573,904)	(51,490,000)	\$4,375,096

CRA/LA plans to expend the remaining estimated Low and Moderate Income Housing Funds so that by December 31, 2014, it will have exceeded its obligation to allocate at least 80% of the Low and Moderate Income Housing Fund project and program expenditures to under age 65 households. Thus, CRA/LA anticipates meeting the age restriction targeting standards imposed by Section 33334.4.

F. COMPLIANCE BY END OF EFFECTIVENESS OF PLAN

By the end of the period of effectiveness of the Redevelopment Plan, CRA/LA intends to dedicate any remaining and future monies in the LMIHF, as well as non-LMIHF tax increment revenues not already dedicated to debt service, towards affordable housing City-wide in order to fulfill its replacement housing obligations according to Health § Safety Code, Section 33413(d)(2).

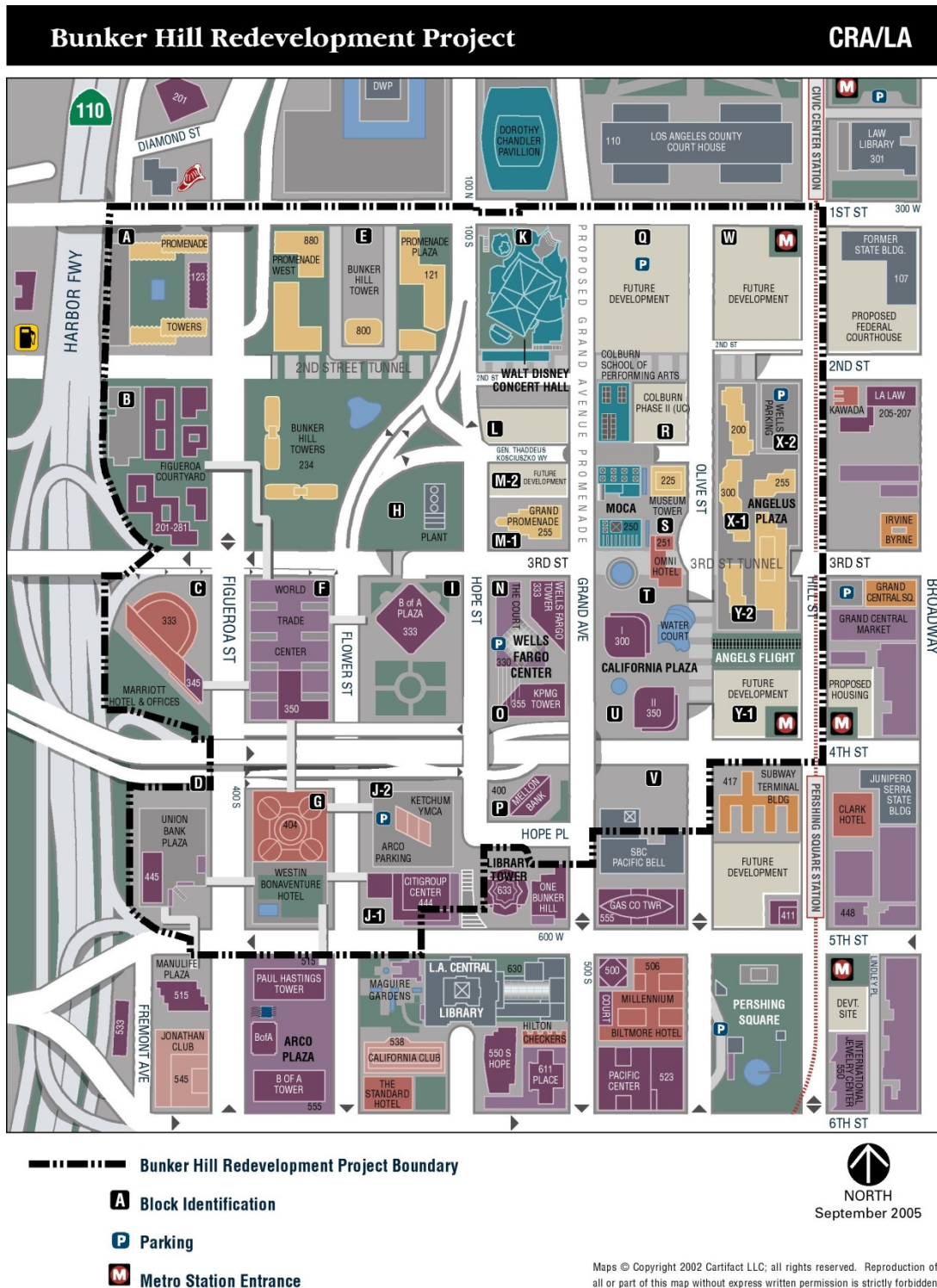
V. NEXT STEPS

Pursuant to the requirements of California Redevelopment Law, CRA/LA will hold a public hearing on the progress on provision of housing and non-housing projects and programs for the Project Area between the second and third years of the Final Implementation Plan period. This progress public hearing will therefore occur in FY2012, which starts on July 1, 2011 and ends June 30, 2012.

Project Area Map "Exhibit A" follows.

EXHIBIT A

PROJECT AREA MAP



ADDENDUM – CRA/LA Strategic Plan

CRA/LA Strategic Plan Goals Met by Implementation Plan

Strategic Plan Goal		Projects that attribute to Goal (See pages 12-26 for further detail)	
1.1.1	Create 40,000 construction career-path jobs.	A1 A2 A3 A4 B1 B2 C1 D1 E1 E2 E3 E4 E5 F1 F2 I1 I2	Angelus Plaza Grand Avenue Project – Parcel Q Grand Avenue Project – Parcels L and M-2 Response to Housing Opportunities Design for Development Arts Retention Program Public Facilities and Open Space / Project Wide Maintenance Grand Avenue Project 3rd Street Tunnel Grand Avenue Project – Civic Park Regional Connector LA Streetcar Project-Wide Public Improvement Program Parcel Y-1 of California Plaza Grand Avenue Project – Parcels L and M-2 Response to Development Opportunities Project General
1.1.2	Invest in projects and programs to provide 2,000 family-supporting permanent jobs.	A2 A3 D1 F2	Grand Avenue Project – Parcel Q Grand Avenue Project – Parcels L and M-2 Grand Avenue Project Grand Avenue Project – Parcels L and M-2
1.2.1	Retain and grow the top ten firms in each region as defined by employment and tax generation.		
1.2.2	Assist 300 businesses a year through façade programs, marketing, permit expediting, public improvements, equipment purchases and other methods.	C1	Public Facilities and Open Space / Project Wide Maintenance
1.3.1	Retain and grow employment in each region's key sectors (such as cleantech, bio-med, entertainment).		
1.3.2	Grow firms by 20% in each region's key sectors.		
1.4.1	Invest \$15 million per year to upgrade strategic infrastructure that will spur economic growth, for a total of \$75 million in 5 years.	C1	Public Facilities and Open Space / Project Wide Maintenance
1.4.2	Complete environmental documents for Central Industrial/CleanTech Manufacturing Center, Crenshaw Corridor and 1st/Mission Design for Development to reduce entitlement costs and processing time for new development.		

Strategic Plan Goal		Projects that attribute to Goal (See pages 12-26 for further detail)	
1.4.3	Collaborate with City Planning Department to complete at least 5 Community Plan Updates and/or Specific Plans to ensure implementation of jobs-creating strategies.		
1.4.4	Form and/or partner with 5 entities (such as the River Revitalization Corporation, CleanTech LA, Los Angeles Development Fund) to access new capital sources, introduce new business lines, and expand the scope of CRA/LA's economic development activities.		
2.1.1	Complete construction of at least 5,500 units of affordable housing in Redevelopment Project areas.	A1 A2 A3 A4 D1	Angelus Plaza Grand Avenue Project – Parcel Q Grand Avenue Project – Parcels L and M-2 Response to Housing Opportunities Grand Avenue Project
2.1.2	Adopt a housing policy and strategy for our neighborhoods that complies with the California Redevelopment Law and sets consistent standards such as income targeting, leveraging ratios, and average per-unit subsidies.		
2.1.3	Adopt CRA/LA-wide housing design guidelines to ensure context-sensitive, quality design that responds to the needs of target populations.		
2.1.4	Preserve 100 % of affordability covenants due to expire on non-profit owned units and 20% of covenants on for-profit owned units.	A1	Angelus Plaza
2.2.1	Create at least two publicly-accessible green open spaces in CRA/LA neighborhoods every year in cooperation with Department of Recreation and Parks, BIDs, Neighborhood Councils and other stakeholders.	D1	Grand Avenue Project
2.2.2	Adopt a pilot Design for Development that implements the Healthy Neighborhoods Policy.		
2.2.3	Ensure that 5 LA River-related projects (2 of which are green/open space projects) are under development in and near our project areas consistent with the Los Angeles River Master Plan.		
2.2.4	Adopt 14 streetscape plans that improve walkability and the pedestrian environment.		
2.3.1	Partner in at least 3 of the following activities in each region annually: special cultural events, community gardens, guide books, cultural markers and community designations, and art organization and attraction and retention programs.	B2	Arts Retention Program

Strategic Plan Goal		Projects that attribute to Goal (See pages 12-26 for further detail)	
3.1.1	Complete at least 10 amendments, expansions, mergers and adoptions of project areas.		
3.2.1	Generate at least 5% of annual revenues from new, recurring sources not related to tax increment.		
3.2.2	Generate 25% of annual revenues from new, one-time sources not related to tax increment.		
3.3.1	Build deeper relationships with state and federal legislators, other governmental officials and their staff through regular briefings, tours and events.		
3.3.2	Build deeper relationships with key stakeholders such as labor, business organizations, affordable housing advocates, environmentalists and other groups influential with the Legislature.		
3.3.3	Design and implement a plan to communicate CRA/LA successes to stakeholders, constituents and elected officials in a systematic, regular and consistent manner.		